



**MCI Communications  
Corporation**

1801 Pennsylvania Avenue, NW  
Washington, DC 20006

**DOCKET FILE COPY ORIGINAL**

February 7, 2000

Ms. Magalie Roman Salas  
Secretary  
Federal Communications Commission  
The Portals  
445 12th Street, S.W., TW-A325  
Washington, D.C. 20554

**RECEIVED**  
FEB - 7 2000  
FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Re: **CC Docket No. 96-45; Federal-State Joint Board on Universal Service**  
**CC Docket No. 97-160; Forward-Looking Mechanism for High Cost**  
**Support for Non-Rural LECs**

Dear Ms. Salas:

Enclosed herewith for filing are the original and four (4) copies of MCI WorldCom, Inc.'s Comments on the Petitions for Reconsideration filed in the above-captioned proceeding.

Please acknowledge receipt by affixing an appropriate notation on the copy of the Comments furnished for such purpose and remit same to the bearer.

Sincerely yours,

Chris Frentrup  
Senior Economist  
1801 Pennsylvania Ave, NW  
Washington, DC 20006  
(202) 887-2731

MCI WorldCom, Inc.

Enclosure

*Comments of MCI WorldCom, Inc.*

February 7, 2000

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554

RECEIVED  
FEB - 7 2000  
FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

In the Matter of )

Federal-State Joint Board on )  
Universal Service )

CC Docket No. 96-45

Forward-Looking Mechanism )  
for High Cost Support for )  
Non-Rural LECs )

CC Docket No. 97-160

**COMMENTS OF MCI WORLDCOM, INC.**

Chris Frentrop  
Senior Economist  
1801 Pennsylvania Avenue, N.W.  
Washington, D.C. 20006  
(202) 887-2731

MCI Worldcom, Inc

February 7, 2000

## TABLE OF CONTENTS

SUMMARY .....	i
I. INTRODUCTION .....	1
II. THE COMMISSION SHOULD NOT REVISE ITS DEFINITION OF NON-RURAL CARRIERS AT THIS TIME .....	2
III. THE COMMISSION'S ROAD SURROGATE METHODOLOGY LEADS TO OVERSTATED COSTS .....	4
IV. UNDERGROUND CABLE AND STRUCTURE COSTS ARE OVERSTATED .....	6
V. NATIONWIDE INPUT VALUES REFLECT ECONOMIC COSTS BETTER THAN INDIVIDUAL COMPANY VALUES DO .....	8
VI. CRITICISMS OF THE NRRI STUDY WERE ALREADY ADDRESSED BY THE COMMISSION .....	9
VII. THE COMMISSION WAS NOT INCONSISTENT IN ITS SELECTION OF INPUTS, AS GTE ALLEGES .....	10
VII. PARTIES HAD ADEQUATE OPPORTUNITY TO COMMENT ON THE MODEL AND THE INPUTS .....	12
IX. CONCLUSION .....	13

## **SUMMARY**

The Commission should not revise its definition of non-rural carriers. Those parties advocating a change in that definition base the necessity of a change solely on the fact that they do not like the effect that use of the cost model will have on the support they receive. However, these carriers have characteristics very similar to the other non-rural carriers, and should therefore have a similar cost structure, which will be captured by the Commission's Synthesis Model.

The Commission should also revise its decision to use a road-surrogate method for determining customer location. The geocode data placed on the record was available for review by interested parties, and the Commission should adopt the use of this data. At a minimum, the Commission must adjust the results of its road surrogate methodology to reflect the demonstrated fact that customers do cluster together.

Underground cable and structure costs are overstated and must be revised. The Commission's model places an excessive amount of underground plant, and uses a methodology that inexplicably increased previous estimates of cable cost. Finally, the Commission inappropriately uses excessively costly manholes in underground distribution.

The Commission should reaffirm its decision to use nation-wide values for most inputs, as these will give a conservative estimate of the input values that are appropriate in a forward-looking economic cost model. In addition, GTE's

claims that the Commission made errors in its use of the NRR data, was inconsistent in its selection of inputs, and did not give parties opportunity to comment on the final version of the model and the inputs are incorrect, and should be rejected.

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554**

In the Matter of	)	
	)	
Federal-State Joint Board on	)	CC Docket No. 96-45
Universal Service	)	
	)	
Forward-Looking Mechanism	)	CC Docket No. 97-160
for High Cost Support for	)	
Non-Rural LECs	)	

**COMMENTS OF MCI WORLDCom, INC**

MCI WorldCom, Inc. ("MCI WorldCom") hereby submits its comments in response to the Petitions for Reconsideration of two Commission orders in the above-captioned docket.

**I. INTRODUCTION**

The Commission had previously adopted a cost model platform to be used to determine the cost of providing universal service.<sup>1</sup> Subsequently, the Commission adopted two Orders which are the subjects of the petitions for reconsideration addressed in these comments.<sup>2</sup> The Ninth Report & Order

---

<sup>1</sup> See Federal-State Joint Board on Universal Service, Fifth Report and Order, CC Docket Nos. 96-45, 97-160, 13 FCC Rcd 21321 (1998) (Platform Order)

<sup>2</sup> Federal-State Joint Board on Universal Service and Forward-Looking Mechanism for High Cost Support for Non-Rural LECs, Ninth Report and Order and Eighteenth Order on Reconsideration, FCC 99-306 (rel Nov. 2, 1999) ("Ninth Report & Order"); Federal-State Joint Board on Universal Service and Forward-Looking Mechanism for High Cost Support for Non-

specified the methodology that would be used to determine the amount of universal service support based on the outputs of the cost model. The Tenth Report & Order adopted the input values to be used in the cost model. Several parties have filed petitions for reconsideration of these two Commission Orders.

## **II. THE COMMISSION SHOULD NOT REVISE ITS DEFINITION OF NON-RURAL CARRIERS AT THIS TIME**

Two local exchange carriers, Puerto Rico Telephone Company (PRTC) and Roseville Telephone Company (Roseville), seek to have the Commission reconsider its decision to apply the new cost model-based Universal Service Fund (USF) mechanism to their companies. Roseville asks the Commission to modify its definition of non-rural telephone companies, which is those companies that serve more than 100,000 lines. Such a definition designates Roseville, which serves approximately 128,000 lines, a non-rural carrier, and therefore applies the new USF mechanism to it. However, this results in Roseville receiving no support once the hold-harmless provision is removed, which Roseville claims is an absurd result. PRTC, on the other hand, argues that the model must be flawed, since it would provide no support to PRTC, despite the fact that it now receives over \$130 million in combined USF and Long Term Support (LTS). Thus, PRTC asks that the Commission not apply the new mechanism to it, so that it may continue to receive its current level of support.

The Commission should deny both petitions. Roseville has presented no

---

Rural LECs, Tenth Report and Order, FCC 99-304 (rel Nov. 2, 1999) ("Tenth Report & Order").

evidence that the cost model is incorrect in its case; it merely objects to the outcome. The only justification it attempts to give for treatment as a rural carrier is that it is smaller than most of the other non-rural carriers and thus cannot achieve the economies of scale that those carriers can achieve. However, according to Roseville's own data, its average line density is approximately 1,500 lines per square mile.<sup>3</sup> This places it well above the average for rural carriers, at 13 persons per square mile, as well as the average density of non-rural carriers, at 150 persons per square mile.<sup>4</sup> Since line density is a primary driver of the cost of universal service, Roseville should have the same cost characteristics as the other non-rural carriers.

Similarly, PRTC claims that the fact that the cost model provides zero USF support, when current embedded cost-based USF and LTS funding for it is over \$130 million, indicates that the cost model is flawed as it applies to PRTC, and should not be used in its case. However, this ignores the fact that PRTC's embedded costs are excessive. In fact, PRTC was recently sold to GTE precisely because it was believed that such a move would allow PRTC to achieve cost savings. As was noted by several parties in the proceeding regarding the proposed merger of GTE and PRTC, PRTC's embedded costs are

---

<sup>3</sup> Roseville at 2.

<sup>4</sup> See The Rural Difference, Rural Task Force White Paper 2, January 2000, at 8. This report, which can be downloaded at <http://www.wutc.wa.gov/rtf>, was prepared by the Rural Task Force, an independent advisory panel appointed by the Universal Service Joint Board to provide guidance on Universal Service issues affecting rural telephone companies.



unusually high.<sup>5</sup> Given this, it is hardly surprising that a cost model, which unlike the USF and LTS funding that PRTC currently receives is not based on PRTC's inefficient expenditures, finds that no USF support is necessary.

In any case, it is not clear that PRTC will continue to receive its current LTS funding. The Commission's rules require PRTC, as a result of its merger with GTE, to leave the NECA pool, which will eliminate its draw on LTS. Although PRTC has also filed a request for waiver of that requirement, it is speculative at best for PRTC to assume that it will retain that funding.

PRTC claims that the cost model is flawed because it shows lower costs than its embedded costs. However, it appears that its embedded costs do not reflect economic efficiency. The Commission should not revise its distinction between rural and non-rural carriers solely to allow PRTC to continue to receive excessive support from subsidy funds that it apparently does not even need.

### **III. THE COMMISSION'S ROAD SURROGATE METHODOLOGY LEADS TO OVERSTATED COSTS**

The Commission has rightly concluded that geocoded data - the latitude and longitude coordinates of customer locations - will yield the least-cost, most

---

<sup>5</sup> See, e.g., Comments of Sprint in Application of GTE Holdings (Puerto Rico) for Transfers of Control of the Radio Licenses Held by the Puerto Rico Telephone Company, File No. LB-98-58, filed October 2, 1998, at 3-5. In these comments, Sprint notes that PRTC's ratio of revenue per employee is much lower than in other similar companies, and that its labor compensation is higher. This suggests that a large part of PRTC's expenses and resulting need for support may be due to inefficiencies rather than true need.

efficient outside plant design.<sup>6</sup> Based solely on concerns about the availability of that data for review by interested parties, the Commission decided to reject use of the geocoded customer location data from PNR Associates, the only data available on the record, and instead relied on a road surrogate methodology. This methodology uses Census Bureau data, and assumes that customers are evenly spaced along roads.

As AT&T notes in its petition for reconsideration, the Commission's concern about the availability of the PNR data is misplaced. Parties were indeed able to review this data in the same manner that parties were able to review the cost data submitted by the local exchange carriers (LECs), under proprietary agreement. Many parties have in fact reviewed the PNR data, both in this proceeding and in various state proceedings. In fact, the PNR data have received more scrutiny by parties than the Census Bureau data on which the Commission relies for its adopted road surrogate methodology.

In adopting the road surrogate methodology, the Commission assumed that customers are dispersed evenly along roads. This assumption will yield a maximum dispersion of customers, and thereby maximize the cost of the network that the cost model builds. In making this assumption, the Commission ignored the substantial record evidence, provided by both LECs and other parties, that customers are not uniformly dispersed but tend to cluster together. At the very least, if the Commission does not adopt the geocoded data, it should revise its

---

<sup>6</sup> Tenth Report & Order at para 37.

road surrogate methodology to adjust the loop distances to reflect the tendency of customers to cluster.

#### **IV. UNDERGROUND CABLE AND STRUCTURE COSTS ARE OVERSTATED**

The Commission made three determinations regarding the cost of underground cable and structure that are inconsistent with the record and must be reversed or revised. First, although it affirmed its tentative decision to use the results of the NRRI study to set cable costs, in the case of small underground cables, the Commission adopted values that were more than double its prior estimates of those costs based on the same study, without providing any explanation for the change.<sup>7</sup> As AT&T notes in its petition, the Commission should reverse this decision, and adopt its previously proposed values.

Second, the Commission adopted a distribution plant mix that overstates the amount of underground plant. This is evidenced by comparing the Commission's adopted values with the data filed by Bell South, which show a maximum percentage of underground distribution plant that is one fifth that of the value adopted by the Commission. In the Tenth Report & Order, the Commission stated that it was not considering the Bell South data because it preferred to adopt nation-wide values. As AT&T notes in its petition, this is a

---

<sup>7</sup> AT&T at 9.

non sequitur.<sup>8</sup> In originally proposing the use of this data, AT&T and MCI WorldCom were not suggesting that the values should be set based on one company's data. However, these Bell South data certainly indicate that the Commission's adopted values are overstated. In addition, there are no other data on the record, let alone data that suggest that nation-wide values should be so much higher than Bell South's plant mix.

Finally, the Commission includes the cost of manholes in its underground distribution plant, on the grounds that manholes are necessary to allow for splicing. However, the record shows that in those rare instances where underground distribution plant occurs, it runs only a short distance, such as under a street. In these instances, a manhole would not be necessary. Even if splicing were necessary, costly full-size manholes are not necessary to accommodate the single copper splices that would occur on distribution cable. Therefore the Commission should either remove manholes costs altogether from underground distribution, or at a minimum should use the smaller PenCell PEM-2436 Buried Cable Enclosure previously advocated by AT&T and MCI WorldCom.<sup>9</sup>

---

<sup>8</sup> AT&T at 10.

<sup>9</sup> See AT&T/MCI WorldCom July 23, 1999 Comments at 24.

**V. NATIONWIDE INPUT VALUES REFLECT ECONOMIC COSTS BETTER THAN INDIVIDUAL COMPANY VALUES DO**

GTE advocates that the Commission adopt company-specific values for several specified inputs.<sup>10</sup> This is necessary, GTE claims, because nation-wide values for these inputs will not capture the incumbents' cost characteristics, and will not lead to sufficient support, as required by the Communications Act of 1996 (the Act).

GTE has incorrectly interpreted the Act to mean that incumbents must receive support that will reflect their own current costs. To be sufficient, the support level must be neither less nor more than is necessary. The Act did not grant incumbent LECs the right to receive support that will guarantee them their current level of expenses, if those expenses reflect non-economic costs. A rightly-sized universal service support fund should support only economically efficient costs. A properly designed forward-looking cost model, such as the Commission's Synthesis Model, must compute the true economic cost of providing universal service. Nation-wide input values provide a better estimate of an efficient carrier's practice than do individual company values.<sup>11</sup> It is

---

<sup>10</sup> See, e.g., GTE at 14-15 (cable and structure costs), 17 (Expense:Investment ratios), 21 (structure sharing).

<sup>11</sup> In fact, one can argue that nation-wide values are a conservatively high estimate of the results an efficient carrier could achieve, for two reasons. First, they are an average of the results from the current incumbents, none of whom has faced sufficient market discipline to rein in their costs. Second, the nation-wide averages reflect the results of several companies, who have achieved different levels of efficiency. Basing inputs on this average across companies will not capture the most efficient practice possible.

precisely because the Act requires that universal service support be sufficient that the Commission was correct to use nation-wide rather than company-specific values.

**VI. CRITICISMS OF THE NRRI STUDY WERE ALREADY ADDRESSED BY THE COMMISSION**

GTE makes a number of criticisms of the Commission's use of the NRRI study to estimate cable and structure costs: (1) some relevant costs were excluded;<sup>12</sup> (2) high cost contracts were removed from the data set;<sup>13</sup> (3) the Huber adjustments were inappropriate;<sup>14</sup> (4) geographic and ordinal variables were used incorrectly;<sup>15</sup> and (5) the pole cost equations have an insufficient number of observations to give meaningful results.<sup>16</sup> Each of these points was raised by GTE in its comments or in ex partes prior to release of the Tenth Report & Order, and each of these objections was answered by the Commission in the Tenth Report & Order. GTE has added nothing new to call the Commission's explanations into question, and thus none of these criticisms is valid.

---

<sup>12</sup> GTE at 9.

<sup>13</sup> Id.

<sup>14</sup> Id.

<sup>15</sup> GTE at 12-13.

<sup>16</sup> GTE at 13.

## **VII. THE COMMISSION WAS NOT INCONSISTENT IN ITS SELECTION OF INPUTS, AS GTE ALLEGES**

GTE argues that the Commission was arbitrary and capricious in its selection of inputs, in that it inconsistently applied the criteria it used to select various inputs. However, in each of the cases cited by GTE, either the Commission adequately explained why it took different approaches, or GTE has simply misinterpreted the Commission's actions.

First, GTE claims that the Commission was inconsistent in rejecting the use of some data because it produced biased results. Specifically, GTE claims (1) that the Commission rejected use of a company-specific algorithm for determining plant mix because it produced biased results, even though (2) the Commission accepted the use of NRRI data despite the fact that the NRRI study produces biased results due to its use of inappropriately specified geographic variables. The Commission was not inconsistent in this case, because it, rightly, did not agree with GTE's claim that the NRRI study was biased. The Commission selected nation-wide plant mix values because the only algorithms on the record for determining plant mix on any level more granular than nation-wide gave biased results.<sup>17</sup> However, the Commission did not accept use of the NRRI study despite acknowledging that it produced biased results, for the simple reason that it did not acknowledge that the study produced biased results.<sup>18</sup>

---

<sup>17</sup> See Tenth Report & Order at para. 235.

<sup>18</sup> See Tenth Report & Order at para. 125.

Second, GTE claims that the Commission inconsistently rejected use of the Turner Price Indexes (TPIs) to adjust embedded switch costs to current dollars while accepting the use of the TPIs to adjust the data in the NRRI study.<sup>19</sup> Once again, GTE is incorrect. The Commission declined to use the TPIs to adjust switch costs because it "prefer[red] to rely on public data when available."<sup>20</sup> In the case of switch costs, the Commission found it could adjust the costs using an alternative method that relied on publicly available data, and did so.<sup>21</sup>

Third, GTE claims that the Commission was inconsistent to use a Bell Atlantic state filing to support a Buying Power adjustment, but ignore another part of that same document that claimed that the fiber splicing costs in the NRRI study were too low. This "all-or-nothing" approach to the acceptance of information in a filing is certainly novel. The Commission is under no obligation to accept every claim that may be made in a filing simply because it has accepted one piece of information from that filing.

Fourth, GTE claims that by using the Buying Power adjustment based on Bell Atlantic Maine data, the Commission has recalibrated all costs to the Bell Atlantic Maine level, in contradiction of its claimed aversion to company-specific data. However, the Buying Power adjustment developed from Bell Atlantic

---

<sup>19</sup> GTE at 22.

<sup>20</sup> See Tenth Report & Order at para. 314.

<sup>21</sup> Id.



Maine data is simply a comparison of that company's cost to the results of the NRRI model. By applying that ratio to the results of the model, the Commission has simply applied the best available estimate of the difference between large and small company costs for cable and structure. Use of that factor does not make the computed costs equal to those of Bell Atlantic Maine.

## **VII. PARTIES HAD ADEQUATE OPPORTUNITY TO COMMENT ON THE MODEL AND THE INPUTS**

GTE claims that the Commission must release the final version of the model and the inputs, and give all parties one final chance to comment. This is absurd. Under this reasoning, if the Commission were to do as GTE requests, and then decide to make changes after receiving comments, it would then have to put this new version out for further comments, and so on ad infinitum. GTE and all parties have had ample opportunity to comment on all inputs, and have had since October 1998 the substantially final version of the Synthesis Model.<sup>22</sup> Such changes as have been made in the inputs have been made after all parties have had every opportunity for comment. GTE's request for another final round of comments is simply a recipe for regulatory gridlock, and should be rejected.

---

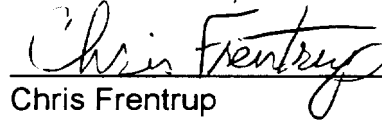
<sup>22</sup> Such minor adjustments as were made to the model since its adoption were ministerial in nature, and did not change the way inputs were used in the model.

## **IX. CONCLUSION**

For the reasons discussed herein, the Commission should adopt the use of geocoded customer location data, revise its cable and structure costs, and reject the petitions of PRTC, Roseville, and GTE.

Respectfully submitted,

MCI WorldCom, Inc.

A handwritten signature in cursive script, reading "Chris Frentrop", written over a horizontal line.

Chris Frentrop

Senior Economist

1801 Pennsylvania Avenue, N.W.

Washington, D.C. 20006

(202) 887-2731

February 7, 2000

## **STATEMENT OF VERIFICATION**

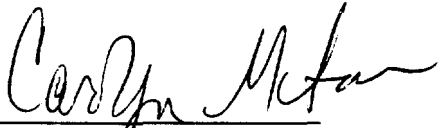
I have read the foregoing and, to the best of my knowledge, information, and belief, there is good ground to support it, and it is not interposed for delay. I verify under penalty of perjury that the foregoing is true and correct. Executed on February 7, 2000.

A handwritten signature in cursive script that reads "Chris Frentrup". The signature is written in dark ink and is positioned above the printed name and address.

Chris Frentrup  
1801 Pennsylvania Avenue, NW  
Washington, DC 20006  
(202) 887-2731

**CERTIFICATE OF SERVICE**

I, Carolyn McTaw, do hereby certify that on this 7th day of February, 2000, I caused a copy of the foregoing Comments of MCI WorldCom, Inc. to be served upon each of the parties listed on the attached Service List by U.S. First Class mail, postage prepaid.

  
\_\_\_\_\_  
Carolyn McTaw

## SERVICE LIST

The Honorable William E. Kennard  
Chairman  
Federal Communications Commission  
445 12th Street, S.W., Room 8-B201  
Washington, D.C. 20554

The Honorable Harold Furchtgott-Roth  
Commissioner  
Federal Communications Commission  
445 12th Street, S.W., Room 8-A302  
Washington, D.C. 20554

The Honorable Susan Ness  
Commissioner  
Federal Communications Commission  
445 12th Street, S.W., Room 8-B115  
Washington, D.C. 20554

The Honorable Michael Powell  
Commissioner  
Federal Communications Commission  
445 12th Street, S.W., Room 8-A204  
Washington, D.C. 20554

The Honorable Gloria Tristani  
Commissioner  
Federal Communications Commission  
445 12th Street, S.W., Room 8-C302  
Washington, D.C. 20554

The Honorable Julia Johnson  
State Chair  
Chairman  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Gerald Gunter Building  
Tallahassee, FL 32399-0850

The Honorable David Baker  
Commissioner  
Georgia Public Service Commission  
244 Washington Street, S.W.  
Atlanta, GA 30334-5701

The Honorable Laska Schoenfelder  
Commissioner  
South Dakota Public Utilities  
Commission  
State Capitol, 500 East Capitol Street  
Pierre, SD 57501-5070

Martha S. Hogerty  
Missouri Office of Public Council  
301 West High Street, Suite 250  
P.O. Box 7800  
Jefferson City, MO 65102

Dorothy Atwood  
Office of the Chairman  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, D.C. 20554

Mary Newmeyer  
Alabama Public Service Commission  
100 North Union Street  
Suite 800  
Montgomery, AL 36130-4302

Deonne Bruning  
Nebraska Public Service Commission  
300 The Atrium, 1200 N Street  
P.O. Box 94927  
Lincoln, NE 68509-4927

Jordan Goldstein  
Commissioner Ness' Office  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, D.C. 20554

Rowland Curry  
Texas Public Utility Commission  
1701 North Congress Avenue  
P.O. Box 13326  
Austin, TX 78701

Bridget Duff, State Staff Chair  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0866

Rebecca Beynon  
Commissioner Furchtgott-Roth's Office  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, D.C. 20554

Kyle Dixon  
Commissioner Powell's Office  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, D.C. 20554

Sarah Whitesell  
Commissioner Tristani's Office  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, D.C. 20554

Emily Hoffnar, Federal Staff Chair  
Federal Communications Commission  
Accounting Policy Division  
Universal Service Branch  
445 12th Street, S.W.  
Washington, D.C. 20554

Lori Kenyon  
Alaska Public Utilities Commission  
1016 West Sixth Avenue, Suite 400  
Anchorage, AK 99501

Debra M. Kriete  
Pennsylvania Public Utilities  
Commission  
North Office Building, Room 110  
Commonwealth and North Avenues  
P.O. Box 3265  
Harrisburg, PA 17105-3265

Sandra Makeef  
Iowa Utilities Board  
Lucas State Office Building  
Des Moines, IA 50319

Philip F. McClelland  
Pennsylvania Office of Consumer  
Advocate  
1425 Strawberry Square  
Harrisburg, PA 17120

Thor Nelson  
Colorado Office of Consumer Counsel  
1580 Logan Street, Suite 610  
Denver, CO 80203

Barry Payne  
Indiana Office of Consumer Counsel  
100 North Senate Avenue  
Room N501  
Indianapolis, IN 46204-2208

Timothy Peterson, Deputy Division  
Chief  
Federal Communications Commission  
Accounting Safeguards Division  
445 12th Street, S.W.  
Washington, D.C. 20554

James B. Ramsay  
National Association of Regulatory  
Utility Commissioners  
1100 Pennsylvania Avenue, NW  
P.O. Box 684  
Washington, D.C. 20044-0684

Brian Roberts  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102

Kevin Schwenzfeier  
NYS Dept. of Public Service  
3 Empire State Plaza  
Albany, NY 12223

Tiane Sommer  
Georgia Public Service Commission  
244 Washington Street, SW  
Atlanta, GA 30334-5701

Sheryl Todd (3 copies)  
Federal Communications Commission  
Accounting Policy Division  
445 Twelfth Street, SW, Room 5-A523  
Washington, D.C. 20554

Margot Smiley Humphrey, Esq.  
Koteen & Naftalin, L.L.P.  
1150 Connecticut Avenue, N.W.  
Suite 1000  
Washington, D.C. 20036

Irwin, Campbell & Tannenwald, P.C.  
1730 Rhode Island Avenue, N.W.  
Suite 200  
Washington, D.C. 20036

Joe D. Edge  
Tina M. Pidgeon  
Drinker Biddle & Reath LLP  
1500 K Street, N.W.  
Suite 1100  
Washington, D.C. 20005

Robert A. Mazer, Esq.  
Vinson & Elkins, LLP  
1455 Pennsylvania Avenue, NW  
Washington, DC 20004-1008

Michael S. Pabian  
Counsel for Ameritech  
2000 West Ameritech Center Drive  
Room 4H86  
Hoffman Estates, IL 60196-1025

Lawrence W. Katz, Esq.  
The Bell Atlantic Telephone Companies  
1320 North Court House Rd  
8th Floor  
Arlington, VA 22201

Joseph Di Bella, Esq.  
The Bell Atlantic Telephone Companies  
1320 North Court House Road  
Eighth Floor  
Arlington, VA 22201

M. Robert Sutherland, Esq.  
BellSouth Corporation  
1155 Peachtree Street, NE  
Suite 1700  
Atlanta, GA 30309-3610

Gail L. Polivy  
GTE Service Corporation  
1850 M Street, NW  
Suite 1200  
Washington, DC 20036

Robert B. McKenna  
Suite 700  
1020 19th Street, NW  
Washington, DC 20036

Jay C. Keithley  
1850 M Street NW  
Suite 1110  
Washington, DC 20036

Robert M. Lynch, Esq.  
Southwestern Bell Telephone Company  
One Bell Center, Room 3524  
St. Louis, MO 63101

Larry A. Peck  
2000 West Ameritech Center Drive  
Room 4H86  
Hoffman Estates, IL 60196-1025

Jeffrey S. Linder  
Gregory J. vogt  
Suzanne Yelen  
Wiley, Rein & Fielding  
1776 K Street, NW  
Washington, DC 20006

Kathleen Q. Abernathy  
AirTouch Communications, Inc.  
1818 N Street, NW  
Suite 800  
Washington, DC 20036

Florida Public Service Commission  
Cynthia B. Miller  
Capital Circle Office Center  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Rural Utilities Service  
Adam Golodner  
Deputy Administrator  
1400 Independence Avenue, SW  
Washington, DC 20250

Northern Telecom, Inc.  
Stephen L. Goodman  
Halprin Temple Goodman & Sugrue  
1100 New York Avenue, NW  
Suite 650 East Tower  
Washington, DC 20005

John G. Lamb, Jr.  
Northern Telecom, Inc.  
2100 Lakeside Boulevard  
Richardson, TX 75081-1599

David L. Lawson  
Scott M. Bohannon  
1722 I Street, NW  
Washington, DC 20006

Mark C. Rosenblum  
Peter H. Jacoby  
Attorneys for AT&T Corp.  
Room 3245H1  
295 North Maple Avenue  
Basking Ridge, NJ 07920

Ben Johnson Associates  
Dr. Ben Johnson  
President  
1234 Timberlane Rd.  
Tallahassee, FL 32312

John F. Raposa  
GTE Service Corporation  
600 Hidden Ridge, HQE035J27  
Irving, TX 75038



Joel B. Shifman, Esq.  
Maine Public Utilities Commission  
242 State Street, 18 State House  
Station  
Augusta, ME 04333-0018

David L. Sieradzki  
Counsel for Western Wireless Corp.  
Columbia Square  
555 Thirteenth Street, NW  
Washington, DC 20004-1109

Gerard J. Duffy  
Blooston, Mordkofsky, Jackson &  
Dickens  
2120 L Street, NW  
Suite 300  
Washington, DC 20037  
Counsel for Western Alliance

Kathleen Franco  
Federal Communications Commission  
445 12th Street, SW  
Washington, DC 20554

Samuel E. Ebbesen  
Virgin Islands Telephone Corp.  
P.O. Box 6100  
St. Thomas, USVI 00801-6100

John W. Hunter  
Julie Rones  
Porter E. Childers  
Lawrence E. Sarjeant  
Linda L. Kent  
Keith Townsend  
United States Telephone Association  
1401 H Street, NW  
Suite 600  
Washington, DC 20005

Benjamin H. Dickens, Jr.  
Mary J. Sisak  
Blooston, Mordkofsky, Jackson &  
Dickens  
2120 L Street, NW  
Suite 300  
Washington, DC 20037  
Counsel for TXU Communications  
Telephone Co.

Sandra K. Williams  
Sprint Corporation  
4220 Shawnee Mission Parkway  
Suite 303A  
Westwood, KS 66205

Jonathan Chambers  
Sprint PCS  
1801 K Street, NW  
Suite M112  
Washington, DC 20006

J.R. Brumley  
South Slope Cooperative Telephone  
210 Tuttle Street  
P.O. Box 8  
Norway, IA 52381

Dennis Crawford  
Montana Public Service Commission  
P.O. Box 202601  
Helena, MT 59620-2601

David L. Nace  
Pamela K. Gist  
Lukas, Nace, Gutierrez & Sachs  
1111 19th Street, NW  
Suite 1200  
Washington, DC 20036  
Counsel for Skyline Telephone  
Membership Corp.

Eve Kahao Gonzalez  
Louisiana Public Service Commission  
P.O. Box 91154  
Baton Rouge, LA 70821-9154

Milton Higa  
Hawaii Public Service Commission  
465 South King Street  
Room 103  
Honolulu, HI 96813

Robert Bennink  
Director and General Counsel  
North Carolina Utilities Commission  
430 North Salisbury Street  
Raleigh, NC 27603

South Carolina Public Service  
Commission  
111 Doctors Circle  
P.O. Box 11649  
Columbia, SC 29211

Edward A. Garvey  
Chairman  
Minnesota Public Utilities Commission  
121 7th Place East  
Suite 350  
St. Paul, MN 55101

Jason Hendricks  
Rasha Yow  
Chris Graves  
Illinois Commerce Commission  
P.O. Box 19280  
Springfield, IL 62794-9280

Executive Director  
Kentucky Public Service Commission  
730 Schenkel Lane  
Frankfort, KY

Tom Wilson  
Washington Utilities & Transportation  
Commission  
1300 Evergreen Park Drive, SW  
Olympia, WA 98504-7250

Phoebe Isaacs  
Puerto Rico Public Service Commission  
235 Arterial Hostos Avenue  
Capital Center  
North Tower, Suite 901  
San Juan, Puerto Rico 00918-1453

Brian J. Cohee  
Indiana Utilities Regulatory Commission  
302 W. Washington Street  
Suite E-306  
Indianapolis, IN 46204

Jim Zolnierak  
Common Carrier Bureau  
Federal Communications Commission  
445 12th St, SW  
Washington, DC 20554

Richard Kwiatkowski  
Common Carrier Bureau  
Federal Communications Commission  
445 12th St, SW  
Washington, DC 20554

Jim Eisner  
Common Carrier Bureau  
Federal Communications Commission  
445 12th St, SW  
Washington, DC 20554

Don Stockdale  
Common Carrier Bureau  
Federal Communications Commission  
445 12th St, SW  
Washington, DC 20554

Lisa Zaina  
Common Carrier Bureau  
Federal Communications Commission  
445 12th St, SW  
Washington, DC 20554

Jeff Prisbrey  
Common Carrier Bureau  
Federal Communications Commission  
445 12th St, SW  
Washington, DC 20554

Craig Brown  
Common Carrier Bureau  
Federal Communications Commission  
445 12th St, SW  
Washington, DC 20554

Chuck Keller  
Common Carrier Bureau  
Federal Communications Commission  
445 12th St, SW  
Washington, DC 20554

Mark Kennet  
Common Carrier Bureau  
Federal Communications Commission  
445 12th St, SW  
Washington, DC 20554

Katie King  
Common Carrier Bureau  
Federal Communications Commission  
445 12th St, SW  
Washington, DC 20554

Robert Loube  
Common Carrier Bureau  
Federal Communications Commission  
445 12th St, SW  
Washington, DC 20554

William Sharkey  
Common Carrier Bureau  
Federal Communications Commission  
445 12th St, SW  
Washington, DC 20554

Richard Cameron  
Common Carrier Bureau  
Federal Communications Commission  
445 12th St, SW  
Washington, DC 20554

Bryan Clopton  
Common Carrier Bureau  
Federal Communications Commission  
445 12th St, SW  
Washington, DC 20554

Abdel Eqab  
Common Carrier Bureau  
Federal Communications Commission  
445 12th St, SW  
Washington, DC 20554

Richard Smith  
Common Carrier Bureau  
Federal Communications Commission  
445 12th St, SW  
Washington, DC 20554

James Rowe  
Alaska Telephone Association  
201 East 56th Street  
Suite 114  
Anchorage, AK 99518

Carolyn C. Hill  
Aliant Communications  
Alltel Communications Services, Corp.  
601 Pennsylvania Avenue, NW  
Washington, DC 20004

James J. Kail  
Bentleyville Telephone Company  
608 Main Street  
Bentleyville, PA 15314

Karen Brinkmann  
Richard R. Cameron  
Latham & Watkins  
1001 Pennsylvania Ave, NW  
Washington, DC 20004  
Counsel for CenturyTel Inc

John F. Jones  
CenturyTel Inc  
100 Century Park Drive  
Monroe, LA 71203

Christopher J. Wilson  
Cincinnati Bell Telephone Company  
201 East 4th Street  
Room 102-620  
Cincinnati, OH 45201

John B. Adams  
Citizens Utilities Company  
1400 16th Street, NW  
Suite 500  
Washington, DC 20036

Russell M. Blau  
Harry N. Malone  
Swidler Berlin Shereff Friedman  
3000 K Street NW  
Washington, DC 20007  
Counsel for Commonwealth Telephone  
Co

George N. Barclay  
Michael J. Ettner  
General Services Administration  
1800 F Street, NW  
Room 4002  
Washington, DC 20405

Snavely King Majoros O'Connor & Lee  
1220 L Street, NW  
Suite 410  
Washington, DC 20005  
Economic Consultants for GSA

Thomas R. Parker  
GTE Service Corporation  
P.O. Box 152092  
Irving, TX 75015-2092

Christopher S. Huther  
Thomas W. Mitchell  
Collier, Shannon, Rill & Scott  
3050 K Street, NW  
Suite 400  
Washington, DC 20007  
Counsel for GTE Service Corporation

Jeffrey H. Smith  
GVNW Consulting  
8050 SW Warm Spring Street  
Tualatin, OR 97062

Allan Kniep  
William H. Smith  
Johanna Benson  
Iowa Utilities Board  
350 Maple Street  
Des Moines, IA 50319

Donald J. Reed  
Matanuska Telephone Association  
1740 South Chugach  
Palmer, AK 99645

Richard A. Askoff  
Regina McNeil  
National Exchange Carrier Assoc  
100 South Jefferson Road  
Whippany, NJ 07981

Lowell C. Johnson  
Nebraska Public Service Commission  
300 The Atrium  
1200 N Street  
Lincoln, NE 68509-4927

L. Marie Guillory  
Jill Canfield  
NTCA  
4121 Wilson Boulevard  
10th Floor  
Arlington, VA 22203  
Stuart K. Polikoff  
Kate Kaercher  
OPASTCO  
21 Dupont Circle, NW  
Suite 700  
Washington, DC 20036

Alfred G. Richter, Jr.  
Roger K. Toppins  
Hope Thurott  
SBC Communications  
One Bell Plaza  
Room 3023  
Dallas, TX 75202

Roseville Telephone Company  
Fletcher, Heald & Hildreth, PLC  
1300 North 17th Street, 11th Floor  
Arlington, VA 22209

McLean & Brown  
9011 East Cedar Waxwing Drive  
Chandler, AZ 85248

International Transcription Service  
1231 20th Street, NW  
Washington, DC 20037